

THE TORONTO STOCK EXCHANGE

29/1/70

FILING STATEMENT NO. 1729

FILED FEBRUARY 4, 1970

file
ENSIGN OILS LIMITED

To replace previous
Filing Statement No. 1729
Issued in error

Full corporate name of Company
Incorporated under The Companies Act (Alberta) by Memorandum
of Association dated January 22nd, 1965.

FEB 18 1970

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	<p>A. The Company is acquiring all of the issued and outstanding shares of Bluenose Oils Ltd. and as consideration therefor is issuing to the Vendors 96,000 shares of the Company and paying \$59,021.95 in cash to acquire a liability of \$165,766.90 due by Bluenose Oils Ltd. to the Vendors.</p> <p>(Reference is made to pages 7 to 10 inclusive.)</p> <p>B. Pursuant to the Company's Articles of Incorporation filed on January 7, 1970, the authorized capital of the Company was increased from 2,100,000 to 5,000,000 shares without nominal or par value.</p>
2. Head office address and any other office address.	1050 Elveden House, Calgary 2, Alberta.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<p>John Arthur Downing, 925 Royal Ave. S.W., Calgary 3, Alberta, President and Director. Mr. Downing has been President of the Company since its incorporation prior to which he was Vice President and a Director of Teck Corporation Limited.</p> <p>Dr. Arthur William Nauss, 425 Southborough Dr., W. Vancouver, B.C., a Director. During period 1963 to October, 1965 Dr. Nauss was a Vice President and a Director of Swain Oils Limited. Since then he has been an independent research geologist.</p> <p>Roger Lauren Ball, 14 Varston Place N.W., Calgary 45, Alberta, Vice President and a Director. During period 1963 to December 1965 was accountant and Assistant Secretary of Swain Oils Limited. Since then has been an officer of the Company.</p> <p>Howard Francis Gain, 2712 Lindstrom Drive S.W., Calgary 10, Alberta, Secretary and a Director. Has been a partner in firm of Saucier, Jones, Peacock, Black, Gain, Stratton & Laycraft, barristers and solicitors, Calgary, Alberta for the past five years.</p> <p>John Harold Brown, 481 Country Club Crescent, Clarkson, Ont., a Director. Mr. Brown is a Senior Vice President and a Director of Gairdner & Company Limited and has been employed by that company for the past five years.</p> <p>William Andrew Clarke, 1350 Hillhurst Road, Oakville, Ontario, a Director. Mr. Clarke is a Vice President and a Director of Gairdner & Company Limited and has been employed by that company for the past five years.</p>
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized Capital: 5,000,000 shares without nominal or par value of which 1,500,000 shares are issued and are outstanding.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	Section 82 Security in favour of The Royal Bank of Canada securing \$125,000 and charged upon oil and gas production in Scallion Field, Manitoba.

6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	By underwriting Agreement dated Aug.19/68 the Company granted to Gairdner & Company Limited an option to purchase at any time or from time to time during the period Sept.12/68 to Aug.31/73, 100,000 shares of the Company at a price of \$2.20 per share. On Jan.31/69 Gairdner & Company Limited took up and paid for 25,000 shares and on Mar.10/69 they took up and paid for a further 25000 shares and the option remains outstanding as to the balance of 50,000 shares. Agreement dated Dec.5/69 pursuant to which Company agreed to purchase from those persons referred to in Schedule "A" all the issued shares of Bluenose Oils Ltd. and as consideration therefor the Company agreed to issue 96,000 shares of the Company and pay \$59,021.95 to acquire a liability of \$165,766.90 due by Bluenose Oils Ltd. to its shareholders.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	The names and addresses of the Vendors of the shares of Bluenose Oils Ltd. who will be receiving shares of the Company are set forth in Schedule "A" attached hereto. SEE SCHEDULE "A" on page 3.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	No payments in cash or securities of the Company have been made or are to be made to any promoter or finder in connection with the proposed acquisition of the shares of Bluenose Oils Ltd.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company's future development plans are to explore for and develop oil and gas and other minerals in Western and Northern Canada and in various parts of the United States.
10. Brief statement of company's chief development work during past year.	The Company has drilled development gas wells in the Tiger Ridge and Bullhook areas of Montana. The Company has completed oil wells in the Browning and Benson areas of Saskatchewan and the Virgo area of Alberta.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	See Schedule "A"
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	See Schedule "A"
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	No shares of the Company are held in escrow or in pool.
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	See Item 13
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	John A. Downing, 925 Royal Ave. S.W., Calgary 3, Alta. of record and beneficially 280,000 shares. Diatomic Research Ltd., 425 Southborough Dr., W. Vancouver, B.C. of record and beneficially 300,000 shares. Roger L. Ball, 14 Varston Place, Calgary 45, Alta., of record and beneficially 70,200 shares. The Glengair Group Limited, 53rd Floor Toronto-Dominion Centre, Toronto, Ont., beneficially only 200,000 shares. Gairdner Son & Co., 53rd Floor Toronto-Dominion Centre, Toronto, Ont., beneficially only 50,000 shares

SCHEDULE "A"

<u>Name</u>	<u>No. of Ensign Shares to be received</u>
1. Stiven Management Company Ltd. 14435-124th Ave., Edmonton, Alberta. Donald S. MacDonald of the same address owns 99½% of the shares of this Company.	24,000
2. Maracaibo Holdings Ltd., 108A-8th Ave. S.W., Calgary, Alberta. Zonia Petrasuk of the above address owns 100% of the shares of this Company.	13,715
3. Bucovina Investments Ltd., 108A-8th Ave. S.W., Calgary, Alberta. Peter Petrasuk of the above address owns 100% of the shares of this Company.	10,286
4. Crane Ranch Ltd., 280 Elveden House, Calgary, Alberta. William B. Crane and Mary Crane of 411-6th Ave. S.W., Calgary, Alberta each own 50% of the shares of this Company.	24,000
5. Louis R. Fyffe, 9827 Athens Road, Calgary, Alberta.	16,286
6. Hussen Shibley, 204 Rio Building, Calgary, Alberta.	2,571
7. Joseph M. Stitt, 204 Rio Building, Calgary, Alberta.	2,571
8. C. Donald Haworth, 204 Rio Building, Calgary, Alberta.	2,571
	<hr/>
	96,000
	<hr/>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 30, 1969

1. Consolidation

The consolidated balance sheet includes the accounts of the Company and its wholly-owned subsidiary, Ensign Oils, Inc., a United States corporation.

The accounts of the subsidiary have been converted to Canadian dollars on the following basis: current assets and current liabilities at the rate of exchange in effect at November 30, 1969, other assets and liabilities at the rate of exchange in effect at the date of the transaction and income and expenses at the average rate of exchange for the year. The net exchange difference, which is not material in amount, has been included in the statement of income.

2. Accounting practice

The Company follows the full cost method of accounting wherein all costs relative to the exploration for and the development of oil and gas reserves, whether productive or non-productive, are capitalized and depleted on the composite unit of production method based on estimates reserves of oil and gas. Depreciation of production and other equipment is provided on the straight line basis at rates designed to amortize their cost over their estimates useful lives.

3. Share Capital

During the eleven months ended November 30, 1969 50,000 shares (reserved as an option to the underwriters) were issued for cash consideration of \$110,000. At November 30, 1969, 50,000 shares of the Company's capital stock were reserved for an option granted to the underwriter exercisable at \$2.20 per share at any time to August 31, 1973.

4. Development loan

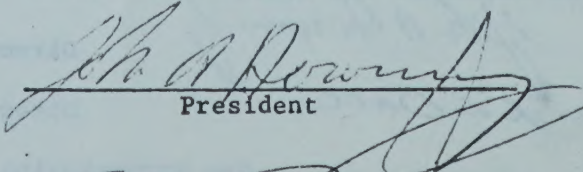
The development loan will be repaid out of one-third of the proceeds following the initial delivery of gas sold in the Tiger Ridge gas field.

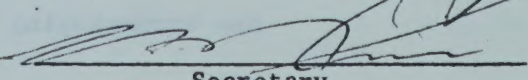
Toronto Stock Exchange,
TORONTO, ONTARIO.

We, the undersigned Directors of Ensign Oils Limited, hereby certify that there has not been any material change in the items in the Consolidated Balance Sheet of Ensign Oils Limited and its subsidiary between the date thereof on November 30th, 1969 and the date hereof.

DATED at Calgary, Alberta, this 23rd day of
January, 1970.

ENSIGN OILS LIMITED


President


Secretary

D. STANLEY TEITZ

BLUENOSE OILS LTD.

STATEMENT OF FINANCIAL POSITION
OCTOBER 31, 1969

ASSETS

CURRENT

Cash
Accounts receivable
Oil sales
Joint operations
Other
Drilling deposits

\$ 745.54
4,360.33
6,130.82
125.28
6,013.08
\$ 17,375.06

PROPERTY AND EQUIPMENT - Note 2

Leasehold and royalty interests
Well development costs
Production equipment

\$ 239,226.60
105,328.03
72,569.41
\$ 417,124.04

Less accumulated depreciation,
depletion and amortization

405,960.04

INCORPORATION EXPENSES

724.43

SIGNED ON BEHALF OF THE BOARD

Director

Director

Total assets

\$ 424,059.53

LIABILITIES

CURRENT

Accounts payable
Well costs - Note 5
Other
Bank loan, secured, portion
due within one year - Note 3

\$ 52,673.80
39,880.99
21,439.35
\$ 113,994.14

DEFERRED

Bank loan, secured, net of current portion - Note 3

74,500.00

OTHER

Bank loan - Notes 3 and 4

71,084.00

DUE TO SHAREHOLDERS

94,682.90

Total liabilities

\$ 354,261.04

SHAREHOLDERS' EQUITY

SHARE CAPITAL

Authorized
200,000 common shares without nominal or
par value

Issued
98,000 shares

60.00

ACCUMULATED EARNINGS

Balance August 31, 1969
Loss for the period

\$ 80,097.32
(10,358.83)

69,738.49

\$ 424,059.53

See accompanying notes to financial statements.

BLUENOSE OILS LTD.STATEMENT OF INCOME AND EXPENSES
FOR THE TWO MONTHS ENDED OCTOBER 31, 1969INCOME

Crude oil sales	\$ 1,475.03
Miscellaneous	<u>181.79</u>
	\$ 1,656.82

EXPENSES

Production	\$ 2,855.42
Management fees	2,100.00
Legal, accounting and audit	800.85
General and administrative	531.87
Interest	<u>4,474.51</u>
	10,762.65
	<u>(9,105.83)</u>

PROVISION FOR

Depreciation, depletion and amortization	<u>1,253.00</u>
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Loss for the period (\$ 10,358.83)

STATEMENT OF SOURCE AND DISPOSITION OF FUNDS
FOR THE TWO MONTHS ENDED OCTOBER 31, 1969SOURCE OF FUNDS

Increase in shareholders' loans	\$ 16,414.74
Increase in bank loans, net of current portion	<u>16,384.00</u>
	\$ 32,798.74

DISPOSITION OF FUNDS

In operations, see note below	\$ 9,105.83
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Increase in working capital \$ 23,692.91

Note

Loss for the period	\$ 10,358.83
Deduct, depreciation, depletion and amortization not requiring an outlay of cash	<u>1,253.00</u>
	\$ 9,105.83

Disposition of cash in operations

\$ 9,105.83

NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1969

- Under agreement dated December 31, 1968, confirmed by a Certificate of Amalgamation issued by the Registrar of Companies for the Province of Alberta dated August 5, 1969, Blue Nose Oils Ltd. and Rebel Oil & Gas Limited agreed to amalgamate and to continue as one company, under the name of Bluenose Oils Ltd. with an authorized capital of 200,000 shares without nominal or par value.

The shares of the amalgamating companies (Blue Nose Oils Ltd. and Rebel Oil & Gas Limited) were exchanged for shares of the amalgamated company (Bluenose Oils Ltd.) as follows:

 - The 48 shares of Blue Nose Oils Ltd. on the basis of 1 share for 875 shares of the amalgamated company.
 - The 12 shares of Rebel Oil & Gas Limited on the basis of 1 share for 4,656 2/3 shares of the amalgamated company.

The amalgamation was accounted for as a pooling of interests.
- The amalgamated company employs the accounting principles of its predecessor companies as follows:

Fixed assets are stated at cost, less accumulated provisions for depreciation, depletion and amortization.

Depreciation of production equipment has been calculated on a straight line method, based on estimated useful life.

Depletion and amortization of producing leasehold interests and well development costs has been calculated on a unit of production method, based on estimated recoverable oil reserves.

The company follows the policy of capitalizing intangible well development costs. Unproductive wells are charged against earnings when determined dry.
- Bank loans are secured by certain of the properties and production proceeds, together with personal guarantees of shareholders.
- Subsequent to October 31, 1969, a bank loan in the amount of \$71,084.00 including accrued interest was assumed by shareholders.
- Three lawsuits covering creditors claims totaling \$23,975.76 were commenced against the company prior to October 31, 1969. \$13,712.00 remained owing on these claims at October 31, 1969.

ENGINEERS REPORTS

The following is a summary contained in an evaluation report prepared by D. & S. Petroleum Consultants Ltd. on properties of Bluenose Oils Ltd., as at August 1, 1969. A copy of the full report is on file with the Exchange.

August 25th, 1969

Bluenose Oils Ltd.,
708 - 700 - 9th Street S.W.,
Calgary 2, Alberta.

Attention: Mr. W. B. Crane

Gentlemen:

As requested, an evaluation has been made of the crude oil reserves of certain properties of Bluenose Oils Ltd., referred to as the "Company" in this report. The crude oil reserves are located in the Hamilton Lake Viking Field in the Province of Alberta. The effective date of this report is August 1st, 1969.

The Company's estimated net share of remaining crude oil reserves are given in Table 1. The corresponding future net revenue, as of the effective date, is summarized in Table 2. Production and revenue forecasts for the developed or partially developed properties are shown on the attached computer output tables.

A summary of the Company's estimated net share of remaining crude oil reserves and the corresponding revenue is given in the following tabulation.

Company Net Share of Remaining Crude Oil Reserves as of August 1, 1969

<u>Proven</u> STB	<u>Probable</u> <u>Additional</u> STB	<u>Proven Plus</u> <u>Probable Additional</u> STB
851,917	763,010	1,614,927

Company Net Share of Revenue as of August 1, 1969

<u>Proven</u> \$	<u>Probable</u> <u>Additional</u> \$ (1)	<u>Proven Plus</u> <u>Probable Additional</u> \$ (1)
1,414,839	1,143,121	2,557,960

(1) Necessary capital expenditure of \$192,349 has been deducted.

In this study, proven reserves were assigned to producing leases on the basis that the present methods of depletion and current operating conditions and practices would continue in the future. The probable additional reserves are defined as those reserves which could be recovered, with a reasonable degree of risk, with additional development and a pressure maintenance scheme by water injection.

In this report, net reserves are defined as those accruing to the Company less all interests owned by others. A barrel is defined as being approximately equal to 35 Imperial gallons.

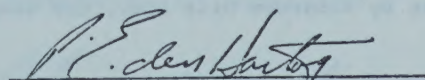
A discussion is given in the following report of the pertinent characteristics of each property to which reserves have been assigned.

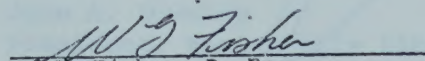
The extent and character of ownership and all factual data supplied by the Company were accepted as represented. A field inspection of the properties was not made.

We shall be pleased to discuss this study at your convenience.

Respectfully submitted,

D&S PETROLEUM CONSULTANTS LTD.


P. E. denHartog, P. Eng.


W. G. Fisher, P. Eng.

The following is a "summary and conclusions" contained in an evaluation report prepared by J.C. Sproule and Associates Ltd., on certain royalty interests of Bluenose Oils Ltd., as of May 15, 1969. A copy of the full report is on file with the Exchange.

SUMMARY AND CONCLUSIONS

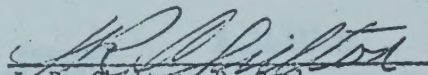
According to the information supplied to us, the Company holds royalty interests in 762,680 gross acres of P. & N.G. properties and 717,000 gross acres of mineral properties. The properties all appear to have been well selected in areas that are currently drawing a great deal of interest, and in which very active exploratory programs are in progress or can be expected in the near future.

Our evaluation may be summarized as follows:

	<u>Gross Acres</u>	<u>Value</u>
P. & N.G. Interests	762,680	\$ 414,000
Mineral Interests	717,000	59,800
		<u>\$ 473,800</u>

It should be understood that our evaluation figures represent a value to the Company rather than a market value. To arrive at a fair market value, it would in our opinion be necessary to discount the values shown above by approximately 30 to 40 percent. The difference represents the risk involved and the common difference in viewpoint between buyer and seller.

This report has been prepared for the exclusive use of Bluenose Oils Ltd. and shall not be reproduced without the written consent of J. C. Sproule and Associates Ltd.


J. R. Chilton, P. Geol.

1009 Fourth Avenue S. W.,
Calgary 1, Alberta.
May 23, 1969.
NS/WRG/VAF/JRC/fc

J. C. SPROULE AND ASSOCIATES LTD.

GEOLOGICAL & ENGINEERING CONSULTANTS

1009 - FOURTH AVENUE S.W.
CALGARY 1, ALBERTA
CANADA
P.O. BOX 2525

TELEPHONE 268-7981
AREA CODE 403

CABLE ADDRESS "SPROULE"

ONTARIO REPRESENTATIVE
A. E. MACKAY
1187 - GREENOAKS DRIVE
CLARKSON, ONTARIO
TELEPHONE 822-7088
AREA CODE 416

J. C. SPROULE, P. GEOL. - PRESIDENT
B. L. HARDING, P. GEOL. - VICE-PRESIDENT
A. H. EDGINGTON, P. ENG., S.E.C. VICE-PRESIDENT
C. A. S. BULMER, P. GEOL.
D. L. CAMPBELL, P. GEOL.
N. A. CLELAND, P. ENG.
H. A. GORRELL, P. GEOL.

G. R. ALDERMAN, P. GEOL.
E. D. BIEZY, P. ENG.
M. J. BRUSSET, P. ENG.
J. R. CHILTON, P. GEOL.
C. W. DREW, JR., P. GEOL.
J. H. STUART SMITH, P. GEOL.
J. W. TERRILL, P. GEOL.

REF.

January 21, 1970.

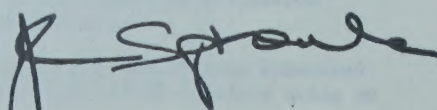
Mr. John Downing,
Ensign Oils Limited,
1050 Elveden House,
Calgary 2, Alberta.

Dear Sir:

Re: "Evaluation of Certain Royalty Interests
of Bluenose Oils Ltd." (as of May 15th, 1969)

In response to your telephoned request, we are pleased to authorize you to use the above-noted report entitled, "Evaluation of Certain Royalty Interests of Bluenose Oils Ltd." (As of May 15, 1969) for purposes of complying with the regulations of the Toronto Stock Exchange. This permission granted in the understanding that Ensign Oils Limited have already been given the report by Bluenose Oils Ltd., the company for whom we prepared it.

Yours very truly,


J.C. Sproule, P. Geol.

JCS/lh

The following is a report on the acquisition of Bluenose Oils Ltd., by Ensign Oils Limited prepared by John A. Downing, Geologist, the President of Ensign Oils Limited.

REPORT
ON THE
ACQUISITION OF BLUE NOSE OILS LTD.

BY
ENSIGN OILS LIMITED

INTRODUCTION

Ensign Oils Limited has made an offer for all of the issued shares of Blue Nose Oils Ltd. in order to acquire that company's interest in producing oil properties and interests in prospective mineral acreage. The offer is 96,000 shares of the common stock of Ensign plus assuming the debts of Blue Nose up to \$230,000. This offer was accepted by the shareholders of Blue Nose. The assets of Blue Nose are interests in producing and shut in oil wells in the Hamilton Lake Oil Field of Alberta and royalty and other interests in exploratory oil and gas land and in other land acquired for their potential for uranium and other metals. The oil properties have been reported on by D & S Petroleum Consultants Ltd. and the exploratory land by J.C. Sproule & Associates. Summaries of these two reports are given in the following sections of this report and xeroxed copies of the full reports are attached.

OIL & PRODUCING PROPERTIES - D & S CONSULTANTS REPORT

Date of Report - August 25, 1969

Blue Nose share of remaining proven reserves	851,917 Bbls.
Blue Nose share of probable additional	<u>763,010</u>
	1,614,927 Bbls.
Company net share of revenue - proven	1,414,839
Probable additional	<u>1,143,121</u>
	TOTAL \$2,557,960
(After deduction of \$192,349 for capital expenditures)	
Company share of net revenue discounted at 7%-proven	636,074
Probable additional	<u>624,859</u>
	TOTAL \$1,260,933

EXPLORATORY LANDS - REPORT BY J.C. SPROULE & ASSOCIATES

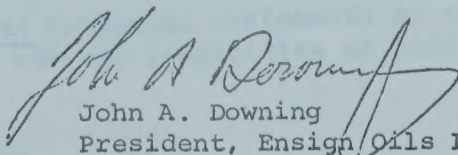
Date of Report - May 15, 1969

The exploratory lands comprise gross overriding royalties on potential oil and gas land in the Northwest Territories, Alberta and Alaska and on mineral lands in Saskatchewan and the Northwest Territories. The report by J.C. Sproule & Associates summaries the appraised value of these interests as follows:

	<u>GROSS ACRES</u>	<u>VALUE</u>
P & N G Interests	762,680	414,000
Mineral Interests	<u>717,000</u>	<u>59,800</u>
	1,479,680 Acres	473,800

Not all of the acreage appraised by J.C. Sproule is presently owned by Blue Nose Oils Ltd, but the bulk of the acreage forms part of its assets.

Respectfully Submitted


John A. Downing
President, Ensign Oils Limited

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	See Item 15.																								
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<p>The Company owns all of the issued and outstanding 100 shares of Ensign Oils Inc. (a Montana corporation) and 100 shares of Ensign Oils of Spain Limited (an Alberta corporation). The consolidated balance sheet of the Company includes the accounts of the Company and its wholly owned subsidiaries.</p> <p>The Company also holds the following investments in the shares of other companies</p> <table><tr><th>No. of Shares</th><th>Name of Company</th><th>Approximate Cost of Acquisition</th><th>Market value as at Nov. 30, 1969</th></tr><tr><td>40,000</td><td>Pacific Silver</td><td>\$4,300</td><td>\$13,200</td></tr><tr><td>10,436</td><td>United Bata Resources Ltd.</td><td>\$99,900*</td><td>\$45,918.40</td></tr><tr><td>10,144</td><td>Worldwide Energy Ltd.</td><td>\$81 152</td><td>\$40,576</td></tr><tr><td>87,500</td><td>Westridge Resources Ltd.</td><td>\$35,000</td><td>\$35,000</td></tr><tr><td></td><td></td><td>\$220,352</td><td>\$134,694.40</td></tr></table> <p>*converted to Canadian dollars at rate of exchange prevailing on November 30, 1969</p>	No. of Shares	Name of Company	Approximate Cost of Acquisition	Market value as at Nov. 30, 1969	40,000	Pacific Silver	\$4,300	\$13,200	10,436	United Bata Resources Ltd.	\$99,900*	\$45,918.40	10,144	Worldwide Energy Ltd.	\$81 152	\$40,576	87,500	Westridge Resources Ltd.	\$35,000	\$35,000			\$220,352	\$134,694.40
No. of Shares	Name of Company	Approximate Cost of Acquisition	Market value as at Nov. 30, 1969																						
40,000	Pacific Silver	\$4,300	\$13,200																						
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10,144	Worldwide Energy Ltd.	\$81 152	\$40,576																						
87,500	Westridge Resources Ltd.	\$35,000	\$35,000																						
		\$220,352	\$134,694.40																						
18. Brief statement of any lawsuits pending or in process against company or its properties.	No lawsuits are pending or in process against the Company or its properties.																								
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	Except for contracts entered into by the Company in the ordinary course of its business the only material contracts still in effect are the option agreement referred to in Item 6 and the agreement of December 5, 1969 relating to the purchase of all of the shares of Bluenose Oils Ltd.																								
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts. No shares of the Company are in the course of primary distribution to the public.																								

DATED January 23, 1970

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

ENSIGN OILS LIMITED

" J.A. DOWNING" _____ President

" H.F. GAIN" _____ Secretary

CORPORATE SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

TORONTO STOCK EXCHANGE

TORONTO

BULLETIN NO. 7114

March 12, 1969.

NEW LISTING

ENSIGN OILS LIMITED *file*

Application has been granted to list 2,100,000 shares without nominal or par value, of which 650,000 shares are subject to issuance and the shares will be posted for trading at the opening on Friday, March 14th. Stock Symbol "ENS"; Post Section 3.1; Dial Quotation No. 2216.

Listing Statement No. 2349 is being prepared and will be available soon. The following is some of the information that will be in the Statement:

Incorporated - under the Companies Act (Alberta) by Certificate of Incorporation dated January 22, 1965.

Head Office - 1050 Elveden House, Calgary 2, Alberta.

Transfer Agent and Registrar - Montreal Trust Company, - Montreal, Toronto, Winnipeg, Calgary and Vancouver.

Officers -

President	- J. A. Downing, Calgary, Alta., Geologist
Vice-President	- R. L. Ball, Calgary, Alta., Accountant
Secretary	- H. F. Gain, Calgary, Alta., Barrister & Solicitor

Directors - J. A. Downing, R. L. Ball, H. F. Gain and the following:

Dr. A. W. Hauss, Vancouver, B. C., Research Geologist
J. H. Brown, Clarkson, Ont., Investment Dealer
W. A. Clarke, Oakville, Ont., Investment Dealer

Capital Structure - 2,100,000 shares without nominal or par value to be issued for a maximum price or consideration not exceeding in the aggregate \$5,000,000.

Issued for cash	\$1,567,250.00	1,450,000 shs
In treasury		650,000 shs
Authorized Capital		<u>2,100,000 shs</u>

Underwriting and Options of Shares Subject to Issuance - By an underwriting agreement dated August 19, 1968, Gairdner & Company Limited underwrote 700,000 shares at \$2.00 a share and by an agreement of the same date Gairdner & Company Limited secured an option to purchase at any time or from time to time during the period September 12, 1968 to August 31, 1973, a further 100,000 shares at a price of \$2.20 a share. The underwritten 700,000 shares were taken up and paid for on September 12, 1968.

Escrowed Shares - No shares are pooled, deposited in escrow, non-transferable or held under any voting trust agreement or control.

Investments in the Shares or Other

Securities of Other Companies - The Company owns all of the issued and outstanding 100 shares of Ensign Oils, Inc. (a Montana Corporation).

Property - The Company has varying interests in oil and gas properties in Alberta, Saskatchewan and Manitoba; permits, claim blocks and mining claims in the Northwest Territories, Saskatchewan, Alaska, Montana, Colorado and Utah.

Development Accomplished and Planned - The program of Ensign Oils Limited has been to explore for and develop oil and gas reserves and the acquisition of potential oil and gas land and uranium claims. This has resulted in oil and gas wells in Manitoba and Montana and a wildcat spread of acreage in all three Prairie Provinces, the Northwest Territories, Alaska and Montana. The future program will be a continuation of these objectives of this program with emphasis on development of proven oil and gas reserves.

Financial Position - Consolidated financial statements as of September 30, 1968 show current assets of \$1,278,479 and current liabilities of \$161,911.

BY ORDER OF THE BOARD OF GOVERNORS

J. R. KIMBER,
President

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT NO. 2349.

LISTED MARCH 14, 1969.
2,100,000 Shares without par value.
Stock Symbol "ENS".
Post Section 3.1.
Dial Quotation No. 2216.

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THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

ENSIGN OILS LIMITED

Incorporated under The Companies Act (Alberta) by Certificate of Incorporation
dated January 22, 1965.

1. Address of the Company's Head Office and of any other offices: 1050 Elveden House, Calgary 2, Alberta.

2. Officers of the Company:

<u>Office Held</u>	<u>Name</u>	<u>Address</u>	<u>Occupation</u>
President	John Arthur Downing	925 Royal Ave. S.W., Calgary, Alta.	Geologist
Vice President	Roger Lauren Ball	3503 Button Rd. N.W., Calgary, Alta.	Accountant
Secretary	Howard Francis Gain	2712 Lindstrom Dr. S.W., Calgary, Alta.	Barrister & Solicitor

3. Directors of the Company:

<u>Name</u>	<u>Address</u>	<u>Occupation</u>
John Arthur Downing	925 Royal Ave. S.W., Calgary, Alta.	Geologist
Dr. Arthur William Nauss	425 Southborough Dr., Vancouver, B.C.	Research Geologist
Roger Lauren Ball	3503 Button Rd. N.W., Calgary, Alta.	Accountant
Howard Francis Gain	2712 Lindstrom Dr. S.W., Calgary, Alta.	Barrister & Solicitor
John Harold Brown	481 Country Club Cres., Clarkson, Ont.	Investment Dealer
William Andrew Clarke	1350 Hillburst Rd., Oakville, Ont.	Investment Dealer

4. Names and addresses of all transfer agents:

Montreal Trust Company at its principal offices in the Cities of Montreal, Toronto, Winnipeg, Calgary and Vancouver as the transfer agent for the shares of the Company.

5. Particulars of any fee charged upon transfer other than customary government taxes:

No fees are charged upon transfer.

6. Names and addresses of all registrars:

Montreal Trust Company at its principal offices in the Cities of Montreal, Toronto, Winnipeg, Calgary and Vancouver is the registrar for the shares of the Company.

7. Amount of authorized capital: 2,100,000 shares without nominal or par value to be issued for a maximum price or consideration not exceeding in the aggregate \$5,000,000.00.

8. Number of shares and par value: 2,100,000 shares without nominal or par value.

9. Full details of all shares issued in payment for properties or for any other assets other than cash:

Date	Number of Shares	Brief description of the properties or other assets and the aggregate consideration therefor, expressed in cash, shares, etc.
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No shares have been issued for properties or any other assets other than cash.

10. Full details of all shares sold for cash.				
	<u>Date</u>	<u>Number of Shares</u>	<u>Price per Share</u>	<u>Amount realized by Company</u>
	November 5, 1965	675,000	16 $\frac{2}{3}$ c.	\$ 112,500.00
	September 30, 1966	18,375	33 $\frac{1}{3}$ c.	6,125.00
	February 18, 1967	12,000	33 $\frac{1}{3}$ c.	4,000.00
	April 15, 1968	44,625	\$1.00	44,625.00
	September 12, 1968	700,000	\$2.00	\$1,400,000.00
	Total	1,450,000 shares		\$1,567,250.00
11. Total number of shares issued.	1,450,000 shares without nominal or par value.			
12. Number of shares now in treasury or otherwise unissued.	650,000 shares without nominal or par value of which 100,000 shares have been reserved for issue pursuant to the option referred to in Item 16.			
13. Particulars of any issued shares held in trust for the Company or donated for treasury purposes.	No issued shares of the Company are held in trust for the Company or donated for treasury purposes.			
14. Date of last annual meeting.	April 15th, 1968.			
15. Date of last report to shareholders.	No reports have yet been issued to shareholders as the Company was a private company until June 19th, 1968.			
16. Details of any treasury shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. If none, this to be stated.	By an underwriting agreement dated August 19th, 1968, Gairdner & Company Limited underwrote 700,000 shares at \$2.00 per share and by an agreement of the same date Gairdner & Company Limited secured an option to purchase at any time or from time to time during the period September 12, 1968, to August 31, 1973, a further 100,000 shares at a price of \$2.20 per share. The underwritten 700,000 shares were taken up and paid for on September 12, 1968, as set out in Item 10 above and the option on 100,000 shares remains outstanding.			
17. Names and addresses of persons having any interest, direct or indirect, in underwritten or optioned shares or other securities or assignments, present or proposed.	Gairdner & Company, Limited, 53rd Floor, Toronto-Dominion Centre, Toronto, Ontario.			
18. Details of any payments in cash or securities of the Company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	No payments in cash or securities of the Company have been made or are to be made to any promoter or finder in connection with any underwriting or property acquisition.			
19. Details of any shares pooled, deposited in escrow, non-transferable or held under any voting trust agreement, syndicate agreement or control.	No shares of the Company are pooled, deposited in escrow, non-transferable or held under any voting trust agreement or control.			
20. Names and addresses of owners of more than a 5% interest in pooled or escrowed shares and their shareholdings. (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	See Item 19.			

<p>21. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.</p>	<p>Gairdner & Company Limited, 53rd Floor, Toronto-Dominion Centre, Toronto, Ont., of record only, 528,340 shares (see letter of Gairdner & Company Limited submitted herewith on Page 6).</p> <p>The Glengair Group Limited, 53rd Floor, Toronto-Dominion Centre, Toronto, Ont., beneficial only, 200,000 shares.</p> <p>John A. Downing, 925 Royal Ave. S.W., Calgary, Alta., of record and beneficial, 300,000 shares.</p> <p>Diatomic Research Ltd., 425 Southborough Dr., W. Vancouver, B.C., of record and beneficial, 300,000 shares.</p> <p>Roger L. Ball, 3503 Button Rd., N.W., Calgary, Alta., of record and beneficial, 78,000 shares.</p> <p>Eldon M. Wooliams, Q.C., 114 Scarboro Ave. S.W., Calgary, Alta., of record and beneficial, 12,000 shares.</p>
<p>22. Names and addresses of persons whose shareholdings are large enough to materially affect control of the Company.</p>	<p>John A. Downing, 925 Royal Ave. S.W., Calgary, Alta.</p> <p>Diatomic Research Ltd., 425 Southborough Dr., West Vancouver, B.C.</p> <p>Roger L. Ball, 3503 Button Rd., N.W., Calgary, Alta.</p> <p>The Glengair Group Limited, 53rd Floor, Toronto-Dominion Centre, Toronto, Ontario.</p>
<p>23. Details of any registration with or approval or authority for sale granted by or any filing with a Securities Commission or corresponding Government body.</p>	<p>The 700,000 shares underwritten and taken up by Gairdner & Company Limited were registered with the various Securities Commissions in the provinces of Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.</p>
<p>24. Has any application for registration with or approval or authority for sale by or any filing with a Securities Commission or corresponding Government body ever been refused, cancelled, suspended or revoked? If so, give particulars.</p>	<p>No.</p>
<p>25. Particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.</p>	<p>The Company has no outstanding bonds, debentures, notes, mortgages, charges, liens or hypothecations.</p>
<p>26. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.</p>	<p>The Company owns all of the issued and outstanding 100 shares of Ensign Oils Inc. (a Montana corporation). The consolidated balance sheet of the Company includes the accounts of the Company and its wholly owned subsidiary, Ensign Oils Inc.</p>
<p>27. Enumerate fully each of the following property classifications, giving claim or property numbers, approximate acreage, townships and mining camp or oil field:</p> <p>(a) Properties owned where titles vested in Company.</p> <p>(b) Properties leased.</p> <p>(c) Properties otherwise held. Give particulars of title held by the Company in each instance (e.g. patented, unpatented, Crown granted, held under mining license, perpetual lease, etc.)</p>	<p>See Schedule "A" on Pages 7, 8, 9 and 10.</p>
<p>28. Full particulars of any royalties or other charges payable upon production from each individual property.</p>	<p>See Schedule "B" on Page 11.</p>

29. Names and addresses of vendors of any property or other assets intended to be purchased by the Company showing the consideration to be paid.	Nil.
30. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Nil.
31. Are any lawsuits pending or in process against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so explain fully.	No.
32. Describe plant and equipment on property or properties.	Oil wellhead including pumpjack, rods, motors, bottom hole pumps and other related equipment plus battery facilities. Gas wellhead equipment.
33. Describe all development accomplished and planned.	The program of Ensign Oils Limited has been to explore for and develop oil and gas reserves and the acquisition of potential oil and gas land and uranium claims. This has resulted in oil and gas wells in Manitoba and Montana and a wildcat spread of acreage in all three Prairie Provinces, the Northwest Territories, Alaska and Montana. The future program will be a continuation of these objectives of this program with emphasis on development of proven oil and gas reserves.
34. Date and author of mining or petroleum engineer's or geologist's report filed with this application and available for inspection on request.	August 1, 1968—Campbell Geological Consultants Ltd.—South-west Saskatchewan. July 30, 1968—Campbell Geological Consultants Ltd.—Colorado, U.S.A. July 26, 1968—Campbell Geological Consultants Ltd.—Utah, U.S.A. June 12, 1968—McDaniel Consultants (1955) Ltd. as supplemented by report dated November 15th, 1968.
35. Full particulars of production to date.	See Schedule "C" on Page 12.
36. Have any dividends been paid? If so, give date, per share rate, and amount paid in dollars on each distribution.	The Company has not paid any dividends.
37. Name and address of the solicitor or attorney whose certificate that the applicant is a valid and subsisting company and that the shares which have been allotted and issued were legally created and are fully paid and non-assessable has been filed with the Exchange.	Chambers, Saucier, Jones, Peacock, Black, Gain & Stratton, 300 Bentall Building, Calgary 2, Alberta.
38. (a) Have any shares of the Company ever been listed on any other stock exchange? If so, give particulars.	No.

38. (Continued)	
(b) Is any application for listing the shares of the Company on any other stock exchange now pending or contemplated? If so, give particulars.	No.
(c) Has any application for listing of any shares of the Company ever been refused or deferred by any stock exchange? If so, give particulars.	No.
39. Particulars of the principal business in which each officer and director has been engaged during the past five years, giving the length of time, position held and name of employing company or firm.	<p>John A. Downing, President of the Company since its incorporation and prior to which he was Vice President and a Director of Teck Corporation Limited.</p> <p>Dr. Arthur W. Nauss was Vice President of Swain Oils Limited from 1963 to 1965 and has since been an independent research geologist.</p> <p>Roger L. Ball was Accountant and Assistant Secretary of Swain Oils Limited from 1963 to 1965 and has since been an officer of the Company.</p> <p>Howard F. Gain has been a partner of Chambers, Saucier & Co., Barristers & Solicitors, Calgary, Alberta.</p> <p>John H. Brown has been an employee of Gairdner & Company Limited.</p> <p>William A. Clarke has been an employee of Gairdner & Company Limited.</p>
40. The dates of and parties to and the general nature of every material contract entered into by the Company which is still in effect and is not disclosed in the foregoing.	Except for contracts entered into by the Company in the ordinary course of its business the only material contract still in effect is the option agreement referred to in Item 16. :
Except for management contracts, do not include particulars of any contract entered into in the ordinary course of business carried on or intended to be carried on by the Company.	
41. Any other material facts not disclosed in the foregoing.	Nil.

42.	STATEMENT SHOWING DISTRIBUTION OF ISSUED CAPITAL	
	as of November 12th, 1968.	
FREE STOCK	Shares	Shares
(a) Distributed and in the hands of the public (exclusive of the promoters, officers and directors of the Company and their agents or trustees).	761,000	
(b) Distributed and in the hands of the promoters, officers and directors of the Company and their agents or trustees.	689,000	
Total free stock		1,450,000
ESCROWED OR POOLED STOCK		
(c) Held in escrow or pool as set out in Item 19 of this application.		Nil
Total issued capital		1,450,000
RECORD OF SHAREHOLDERS		
Number of registered shareholders holding shares in class (a) above		461
Number of registered shareholders holding shares in class (b) above		5
Number of registered shareholders holding shares in class (c) above		Nil

STATEMENT SHOWING NUMBER OF SHAREHOLDERS
as of November 12th, 1968.

Number		Shares
	Holders of 1 — 99 shares	1,543
	" " 100 — 499 "	55,250
	" " 500 — 999 "	32,750
	" " 1000 — 1999 "	23,550
	" " 2000 — 2999 "	17,150
	" " 3000 — 3999 "	20,225
	" " 4000 — 4999 "	4,000
	" " 5000 — up "	1,295,532
	Stockholders	Total Shares
		<u>1,450,000</u>

GAIRDNER AND COMPANY LIMITED
CLIENT HOLDINGS IN GAIRDNER'S NAME
AS OF NOVEMBER 12, 1968

Number		Shares
26	Holders of 1 — 99 shares	1,155
476	" " 100 — 499 "	89,465
17	" " 500 — 999 "	70,070
63	" " 1000 — 1999 "	74,200
18	" " 2000 — 2999 "	40,450
4	" " 3000 — 3999 "	12,700
1	" " 4000 — 4999 "	4,100
7	" " 5000 — up "	236,200
<u>612</u>	Stockholders	Total Shares
		<u>528,340</u>

December 6, 1968.

The Toronto Stock Exchange,
234 Bay Street,
Toronto 1, Ontario.

Dear Sirs:

I hereby certify that as at November 12, 1968, Gairdner & Company Limited were holding shares of Ensign Oils Limited registered in the name of Gairdner & Company Limited for 612 shareholders, holding an aggregate of 528,340 shares as set out on the attached statement.

The difference between the total figure of 528,340 shown on attached, and the number of shares registered in the name of Gairdner & Company Limited according to the records of the Montreal Trust Company amounting to 558,060, is accounted for by shares in the hands of the public or other dealers as to the beneficial ownership of which Gairdner & Company Limited has no knowledge.

Yours very truly,

GAIRDNER & COMPANY LIMITED,

A. W. HUTTON, Secretary.

SCHEDULE "A"

ENSIGN OILS LIMITED

OIL & GAS PROPERTIES

Field	Location	Type of Ownership	Gross Acres	Net Acres	Burdens & Royalties	Ensign's Interest
A L B E R T A MUNDARE	NE ¼ & W½ Sec 13-53-16 W4		480	480	Freehold Royalty	100%
	Sec 23-53-16 W4		640	640	Freehold Royalty	100%
	S ½ & N ½ of NW ¼ & 5½ of NE ¼ Sec 25-53-16 W4	Leasehold	400	400	Freehold Royalty	100%
	E ½ & SW ¼ Sec 27-53-16 W4	Leasehold	440	440	Freehold Royalty	100%
	S ½ Sec 35-53-16 W4	Leasehold	320	320	Freehold Royalty	100%
	N ½ Sec 5-54-16 W4	Leasehold	320	320	Freehold Royalty	100%
	E ½ Sec 7-54-16 W4	Leasehold	320	320	Freehold Royalty	100%
TILLEY	Sec 4-16-13 W4	Leasehold	640	96	Crown Royalty	15%
BIG LAKE	NW ¼ Sec 23-53-26 W4	Leasehold	160	24.8	Crown Royalty	15½%
	NE ¼ Sec 23-53-26 W4	Leasehold	160	49.6	Crown Royalty & 1/100 (8%-16%) Override	31%
PINE LAKE	S ½ Sec 25-35-25 W4	Leasehold	320	40	Crown and 2½% Override	12½%
	NW ¼ Sec 25-35-25 W4	Leasehold	148	14.8	Crown and 3% Override	10%
PEMBINA	E ½ Sec 35, W½ Sec 36-50-9 W5	Leasehold	640	176	Crown and 5% Override	27½%
	S ½ Sec 2-51-9 W5	Leasehold	320	88	Crown Royalty	27½%
RAINBOW	N ½ Sec 36-110-8 W6	Leasehold	320	80	Crown and 2% Override	25%
	S ½ Sec 36-110-8 W6	Leasehold	320	160	Crown and 2% Override	50%
	N ½ Sec 31-110-7 W6	Leasehold	320	40	Crown and 2% Override	12½%
VIRGO	NE ¼ Sec 30-115-6 W6	Leasehold	160	17.6	Crown and 5½% Override	11%
CARBON	Sec 30 & SW ¼	Leasehold	800	600	Crown Royalty	75%
	Sec 31-29-23 W4	Leasehold	160	120	Crown Royalty	75%
	SE ¼ Sec 31-29-23 W4	Leasehold	320	240	Crown Royalty	75%
HANNA	E ½ Sec 25-29-24 W4					
	N ½ Sec 5-31-14 W4	Leasehold	320	96	Crown and 15% Override	30%
BONNIE GLEN	Sec 34-47-27 W4	Leasehold	639	639	Crown Royalty	100%
				5401.8		

SCHEDULE "A"—Continued

ENSIGN OILS LIMITED

Field	Location	Type of Ownership	Gross Acres	Net Acres	Burdens & Royalties	Ensign's Interest
S A S K A T C H E W A N NORTH BENSON	E ½ Sec 11-7-9 W2	Leasehold	319	159.5	Crown Royalty	50%
	SE ¼ Sec 12-7-9 W2	Leasehold	160	80	Crown Royalty	50%
MOOSE MOUNTAIN	S ½ Sec 10-10-2 W2	Leasehold	320	240	Crown Royalty	75%
BROWNING	E ½ Sec 3-7-6 W2	Leasehold	320	320	Crown Royalty	100%
				799.5		
M A N I T O B A DALY	SW ¼ Sec 28-9-27 W1	Leasehold	160	160	Crown and 2% Override	100%
	SW ¼ Sec 8-10-27 W1	Leasehold	160	160	Crown and 2% Override	100%
NORTH VIRDEN-SCALLION	L.S.D. 14 of Sec 20-11-26 W1	Leasehold	40	20	Freehold 12½, Override of 10½ %	50%
	L.S.D. 10, 15 & 16 of Sec 19-11-26 W1	Leasehold	120	58.25	Freehold 12½, or 6½ %	48.54 %
	NW ¼ Sec 19-11-26 W1	Leasehold	120	90	Freehold	75%
	L.S.D. 14 of Sec 19-11-26 W1	Leasehold	40	28.12	Freehold	70.31 %
	L.S.D. 3 of Sec 29-11-26 W1	Leasehold	40	9.38	Crown and 15% Override	23.44 %
	L.S.D. 1, 2, 7 & 8, 9 & 16 of Sec 30-11-26 W1	Leasehold	240	164.38	Freehold 12½, Override 7½	68.50 %
	W ½ Sec 30-11-26 W1	Leasehold	320	82.50	Freehold 12½	25.78 %
	E ½ & NW ¼ Sec 31-11-26 W1	Leasehold	480	480	Freehold	100%
	NW ¼ Sec 5-11-26 W1	Leasehold	160	80	Freehold	50%
	SW ¼ Sec 5-11-26 W1	Leasehold	160	160	Freehold	100%
	SW ¼ Sec 32-11-26 W1	Leasehold	160	40	Freehold	25%
				1532.63		

PERMITS, CLAIM BLOCKS & MINING CLAIMS

Area	Location	Type of Ownership	Gross Acres	Net Acres	Burdens & Royalties	Ensign's Interest
NORTH WEST TERRITORIES FRANKLIN BAY	70°00'N Lat. & 126°30'W Long.	Expl. Permit	44,040	16,515	Crown Royalty	37½ %
	69°50'N Lat. & 126°30'W Long.	Expl. Permit	44,388	16,645.50	Crown Royalty	37½ %

SCHEDULE "A"—Continued
ENSIGN OILS LIMITED

Area	Location	Type of Ownership	Gross Acres	Net Acres	Burdens & Royalties	Ensign's Interest
KEELE RIVER-MacKAY RANGES	64°30'N Lat. & 125°15'W Long.	Expl. Permit	27,667	6,916.75	Crown Royalty	25%
	64°40'N Lat. & 125°15'W Long.	Expl. Permit	27,500	6,875	Crown Royalty	25%
	64°50'N Lat. & 125°30'W Long.	Expl. Permit	27,373	6,843.25	Crown Royalty	25%
ROOTE RIVER	62°40'N Lat. & 123°30'W Long.	Expl. Permit	58,980	14,745	Crown Royalty	25%
	62°50'N Lat. & 123°15'W Long.	Expl. Permit	58,650	14,662.50	Crown Royalty	25%
O T H E R						
SASKATCHEWAN	Twp. 1 to 10, Ranges 2 to 30	Mining Permits & Claim Blocks	1,650,000	165,000	Crown Royalty	10%
CARSWILL LAKE	58°18'N Lat. & 109°40'W Long.	Claim Blocks	3,170	3,170		100%
				251,373		
SASKATCHEWAN	Wollaston Lake Area	Mining Permits	880,000 (approximately)	440,000 (approximately)	Crown Royalty	50%

PERMITS, CLAIM BLOCKS & MINING CLAIMS

Area	Location	Type of Ownership	Gross Acres	Net Acres	Burdens & Royalties	Ensign's Interest
U.S. HOLDINGS						
ALASKA						
NORTH SLOPES	Twp. 3S to 9S, Rge 5W to 9E	Option to Leasehold	144,231	72,115.5	Federal & 4% Override	50%
MONTANA						
TIGER RIDGE	Twp. 30N to 32N, Rge 17E to 19E	Leasehold	112,870	11,287	Federal, State & Freehold plus 4% on oil, 5% on gas covering 8,950 gross acres	10%
BULLHOOK	Twp. 30N to 32N, Rge 15E to 16E	Leasehold	82,053	10,257	Freehold, Federal & State	12½%
SOUTH HAVRE	Twp. 32N, Rge 15E	Leasehold	10,451	4,180.40	Freehold, State & 2% Override	40%
COLUMBUS	Twp. 1S to 3S, Rge 17E	Leasehold	11,512	11,512	Federal & Freehold	100%

SCHEDULE "A"—Continued
ENSIGN OILS LIMITED

Area	Location	Type of Ownership	Gross Acres	Net Acres	Burdens & Royalties	Interest Ensign's
C O L O R A D O SLICK ROCK	San Miguel County Twp. 42N, Rge 17W & 18W Twp. 43N, Rge 17W & 18W Twp. 44N, Rge 17W	Mining Claims	1,490	372.5	Federal & 6% Override	25%
U T A H LISBON VALLEY	San Juan County Twp. 29S, Rge 22E & 23E Twp. 30S, Rge 23E & 24E	Mining Claims	1,498	374.5	Federal & 4% Override	25%
				110,098.90		

SCHEDULE "B"
ENSIGN OILS LIMITED

SUMMARY OF ROYALTIES PAYABLE UPON PRODUCTION

Location	Well Name	% Royalty	Payable To
NW ¼ Sec 19-11-26 W1	Ensign Et Al Scallion 14-19	12 1/2	Mr. Wesley E. Heaman
NE ¼ Sec 19-11-26 W1	Ensign Fargo Scallion 10-19	12 1/2	Nora Tapp Et Al
		3 1/4	British American Oils
		3 1/4	Cdn. Industrial Gas & Oil Ltd.
	Ensign Fargo Scallion 15-19	12 1/2	Nora Tapp Et Al
		3 1/4	British American Oils
		3 1/4	Cdn. Industrial Gas & Oil Ltd.
	Ensign Fargo Scallion 16-19	12 1/2	Nora Tapp Et Al
		3 1/4	British American Oils
		3 1/4	Cdn. Industrial Gas & Oil Ltd.
NW ¼ Sec 20-11-26 W1	Ensign Sun Scallion 14-20	7 1/2	Sun Oil Company
		3	Hamilton Oil Limited
		12 1/2	Canada Permanent Trust Company
SW ¼ Sec 29-11-26 W1	Ensign Et Al Scallion 3-29	12 1/2	Crown
		7 1/2	Calmano Oil & Gas Ltd.
		7 1/2	Chevron Standard Limited
SE ¼ Sec 30-11-26 W1	Ensign Et Al Scallion 1-30	12 1/2	Canada Permanent Trust Company
		7 1/2	Calmano Oil & Gas Ltd.
	Ensign Et Al Scallion 2-30	12 1/2	Canada Permanent Trust Company
		7 1/2	Calmano Oil & Gas Ltd.
	Ensign Et Al Scallion 7-30	12 1/2	Canada Permanent Trust Company
		7 1/2	Calmano Oil & Gas Ltd.
	Ensign Et Al Scallion 8-30	12 1/2	Canada Permanent Trust Company
		7 1/2	Calmano Oil & Gas Ltd.
SW ¼ Sec 30-11-26 W1	Ensign Et Al Scallion 3-30	8 1/3	Mr. George Carefoot
		4 1/6	Mrs. Julia Omen

SCHEDULE "C"
ENSIGN OILS LIMITED

SUMMARY OF PRODUCTION TO DATE

Location	Well Name	ENSIGN'S SHARE OF OIL PRODUCTION		
		1966	1967	1968 (Sept. 30, 1968)
NW ¼ Sec 19-11-26 W1	Ensign Et Al Scallion 14-19		5,436	5,287
NW ¼ Sec 19-11-26 W1	Ensign Fargo Scallion 10-19	1,775	2,862	2,228
	Ensign Fargo Scallion 15-19	5,192	5,350	2,558
	Ensign Fargo Scallion 16-19	3,431	5,212	3,526
NW ¼ Sec 20-11-26 W1	Ensign Sun Scallion 14-20	183	6,059	5,007
SW ¼ Sec 29-11-26 W1	Ensign Et Al Scallion 3-29		565	1,313
SE ¼ Sec 30-11-26 W1	Ensign Et Al Scallion 1-30	6,541	8,603	6,218
	Ensign Et Al Scallion 2-30	5,044	12,601	8,509
	Ensign Et Al Scallion 7-30	294	3,946	2,762
	Ensign Et Al Scallion 8-30	2,447	1,569	(1) —
NW ¼ Sec 30-11-26 W1	Ensign Et Al Scallion 3-30	—	—	2,675
TIGER RIDGE, MONTANA				
NW ¼ Sec 31-32N-18E	H.C.O. Lloyd Morphy 31-1	—	—	300
NW ¼ Sec 27-6-10 W2	Barhar Midale 11-27	1,841	2,570	(2) 576
		26,748	54,773	40,959

(1) Due to an extremely high water oil ratio, Ensign Et Al Scallion 8-30 was suspended in June, 1967. This well may be converted to a water injection or disposal well.

(2) Barhar Midale 11-27-6-10 was sold April 1, 1968.

FINANCIAL STATEMENTS

ENSIGN OILS LIMITED

and its subsidiary

CONSOLIDATED BALANCE SHEET

SEPTEMBER 30, 1968

ASSETS

CURRENT:

Cash	.....	\$ 196,080
Short term notes	.....	900,000
Accounts Receivable—		
Trade	.....	84,325
Sales of petroleum and mineral properties	96,730
Prepaid expenses	1,344
		<hr/>
		1,278,479

DRILLING AND OTHER DEPOSITS	<hr/>	6,784
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PROPERTY AND EQUIPMENT—AT COST

Oil and gas properties less accumulated depletion of \$39,932	\$ 530,410	
Production and other equipment less accumulated depreciation of \$20,186	.....	59,210	
Mineral claims	.....	73,940	663,560
		<hr/>	<hr/>
			\$1,948,823

LIABILITIES

CURRENT:

Accounts payable and accrued charges	\$ 161,911
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SHAREHOLDERS' EQUITY

CAPITAL (NOTE 3):

Authorized—2,100,000 shares without nominal or par value	1,567,250	
Issued —1,450,000 shares	.....	219,662	\$1,786,912
		<hr/>	<hr/>
			\$1,948,823

See accompanying notes

Approved on behalf of the Board:

“JOHN A. DOWNING”, Director.

“R. L. BALL”, Director.

ENSIGN OILS LIMITED

and its subsidiary

CONSOLIDATED STATEMENTS OF INCOME AND EARNED SURPLUS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1968

STATEMENT OF INCOME

Income:									
Crude oil sales after royalties	....	....	....	....	....	....	....	....	\$ 82,670
Interest and other income	....	....	....	....	....	....	....	....	6,293
									<u>88,963</u>
Deduct:									
Operating expenses	....	....	....	....	....	....	....	....	\$18,766
General and administrative expenses, net of amounts recovered	....	....	....	....	....	....	....	....	41,168
Interest	....	....	....	....	....	....	....	....	11,636
									<u>71,393</u>
Cash income from operations	....	....	....	....	....	....	....	....	<u>\$ 17,393</u>
Deduct:									
Depletion	....	....	....	....	....	....	....	....	14,234
Depreciation	....	....	....	....	....	....	....	....	6,113
									<u>20,347</u>
Net loss for the period	....	....	....	....	....	....	....	....	<u>\$ 2,954</u>

STATEMENT OF EARNED SURPLUS

Balance at beginning of period	....	....	....	....	....	....	....	....	\$252,190
Less: financing cost	....	....	....	....	....	....	....	....	29,574
loss for the period	....	....	....	....	....	....	....	....	2,954
									<u>32,528</u>
Balance at end of period	....	....	....	....	....	....	....	....	<u>\$219,662</u>

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1968

SOURCE OF FUNDS:

Cash income from operations	....	....	....	....	....	....	....	....	\$ 17,393
Issue of capital stock	....	....	....	....	....	....	....	....	1,444,625
Refund of drilling and other deposits	....	....	....	....	....	....	....	....	37,365
									<u>\$1,499,383</u>

APPLICATION OF FUNDS:

Acquisition of property and equipment (net)	....	....	....	....	....	....	....	....	231,801
Repayment of debenture	....	....	....	....	....	....	....	....	89,875
Financing costs	....	....	....	....	....	....	....	....	29,574
									<u>351,250</u>
Increase in working capital	....	....	....	....	....	....	....	....	<u>\$1,148,133</u>

ENSIGN OILS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 1968

1. Consolidation

The consolidated balance sheet includes the accounts of the Company and its wholly-owned subsidiary, Ensign Oils, Inc., a United States Corporation. The accounts of the subsidiary have been converted to Canadian dollars on the following basis; current assets and current liabilities at the rate of exchange in effect at September 30, 1968, other assets at the rate of exchange in effect at the date of the transaction and income and expenses at the average rate of exchange for the year. The net exchange difference, which is not material in amount, has been included in the statement of income.

2. Accounting Practice

The Company follows the full cost method of accounting wherein all costs relative to the exploration for and the development of oil and gas reserves, whether productive or non-productive, are capitalized and depleted on the composite unit of production method based on estimated reserves of oil and gas. Depreciation of production and other equipment is provided on the straight line basis at rates designed to amortize their cost over their estimated useful lives.

3. Share Capital

(a) By special resolution of the shareholders, confirmed June 17, 1968, the Company's 700,000 authorized shares were subdivided into 2,100,000 shares without nominal or par value issuable for a maximum consideration not to exceed \$5,000,000.

(b) On August 19, 1968, the Company entered into a share underwriting agreement which provided for the sale by the Company of 700,000 shares for \$1,400,000 and an option on a further 100,000 shares exercisable by the underwriter at \$2.20 per share at any time to August 31, 1973.

4. Income Taxes

The Company and its subsidiary follow the practice of claiming capital cost allowances and exploration and development costs in excess of depreciation and depletion recorded in the accounts. The resulting accumulated reduction in income taxes payable amounts to \$56,140. at September 30, 1968.

ENGINEERS' REPORTS

The following are excerpts taken from the Reports by K. W. Campbell P. Geol.

Report dated August 1, 1968, on Uraniferous Lignite Deposits in Southwest Saskatchewan—

SUMMARY AND CONCLUSION

The 1,650,000 acres of Permit in Southwest Saskatchewan cover the most favorable acreage situated on topographic highs underlain by uraniferous lignites.

High freight rates from Saskatchewan to a mill in Colorado make it uneconomic to ship the ash to the U.S.A. A mill would have to be constructed in Southwest Saskatchewan to treat the uraniferous lignite ash.

At the present worldwide rate of production and demand for uranium, it is apparent that a shortage of U_3O_8 will develop in the next four years.

PROPERTY

The permits held by Ensign and partners cover 1,650,000 acres of land in Southwest Saskatchewan. These Crown-granted permits cover an area from the United States border to Township 11 and from Range 27 W2 to the Alberta border, Range 30 W3.

The permits cover most of the topographic highs that are probably underlain by uraniferous lignites of the Ravenscrag formation of Tertiary age.

HISTORY

Deposits of uranium in lignite coal deposits have been known for many years in the United States. Within the past few years deposits in North Dakota have been mined by Union Carbide and deposits in South Dakota by Kerr McGee.

During the early 1950's uranium was noted in lignite seams in outcrop in Southwest Saskatchewan. Quoting from Report No. 20, "Geology of Eastern Cypress Hills, Saskatchewan", by W. O. Kupsch, 1956, "A coal sample from a seam in the upper part of the grey facies of the Ravenscrag formation in the southeast quarter of Section 18, Township 6, Range 22, West of the Third Meridian, showed an U_3O_8 content of 0.05 per cent. This sample appears to be the most radioactive of all coal ashes tested in Canada to March 1955."

During the last three years extensive exploration in Southwest Saskatchewan has resulted in finding encouraging amounts of uranium in lignite beds of the Ravenscrag formation.

Permits covering the lignite beds occurring on topographic highs have been obtained by Ensign Oils Limited and partners.

Report dated July 30, 1968, on Uranium Claims in Slick Rock Area, S.W. Colorado, U.S.A.

SUMMARY AND CONCLUSION

The 600 claims (\pm 12,500 acres) in the Slick Rock Area in Southwestern Colorado are potentially uranium productive from the Salt Wash Sand at a depth of from 0' to 1,000'.

The claims are in a southeast trend from the producing mines at Slick Rock, some 4½ miles northwest.

Uranium and vanadium have been mined on the Oliver-Buss claims in the southwest corner of Section 26, Township 43 N., Range 18 W.

The profit per ton of ore mined in the Slick Rock area has been between \$10.00 and \$15.00.

At the average ore grade and current price schedule the per ton profit on these claims should approximate \$14.00.

For every \$1.00 increase in the price of U_3O_8 the value of a ton of ore would increase \$4.40.

At the present worldwide rate of production and demand for uranium, it is apparent that a shortage of U_3O_8 will develop in the next four years.

PROPERTY

These 600 claims (\pm 12,500 acres) are situated in the southern end of the Uravan Mineral Belt in southwest Colorado. The north end of the claims are located 4½ miles southeast of Slick Rock. Access to the claims is by a country road that runs through the claims along the east side of the Dolores River. Roads have also been

constructed to give access to the old Red Rock mine and Parrot mine in the southwest section of the claims.

The claims are in an area known as Slick Rock in—

Twp. 42 N., Rges 17 W. & 18.

Twp. 43 N., Rges. 17 W. & 18 W. and in

Twp. 44 N., Rge. 17 W.

HISTORY

The uranium deposits of the Colorado Plateau are the major source of uranium in the United States. The ore deposits on the Colorado Plateau were mined first for radium, then for vanadium, and lastly for uranium. Radioactive minerals were first discovered on the Colorado Plateau in the Morrison formation of Jurassic age at Roc Creek, Colorado, in 1898. From 1911 to 1923 deposits of radioactive minerals, mainly in the Morrison formation, were intensively mined for radium. In 1923, the Belgian Congo became the world's source of radium and mining of the ore deposits on the Colorado Plateau ceased. Mining for vanadium was begun in 1936 and continued until 1945. Most of the vanadium produced came from the Morrison and Entrada formations in Western Colorado.

Mining of these deposits was begun for a third time in 1948, when the Atomic Energy Commission initiated its program of developing a domestic supply of uranium ore. During 1948, most of the uranium production came from the Shinarump Conglomerate and Chinle formation of Triassic age in eastern Utah and northeastern Arizona. However, since 1949, most of the ore produced came from the Morrison formation and the rest came from the Chinle and Chinle.

During the past two years, there has been renewed activity in the Uravan area with major companies staking and purchasing properties over a wide area. The anticipated free market, worldwide uranium shortage, and the price increase has again made favorable economics for uranium mining.

There has been some exploration and mining done on the southwest corner of the block of 600 claims. The Red Rock property shipped approximately \$5,000 worth of ore per month during the uranium boom in the 1950's. The Parrot property commenced operations in 1930 and has seven adits from which several thousand dollars worth of ore per month was mined until several years ago. Two of five drill holes one mile northeast of the Parrot mine encountered commercial ore. Drill holes adjacent to the mine had 5', 3', and 2' of commercial ore. This ore could be mined immediately without further exploration. This mine would have an ore allocation due to the fact that ore was shipped from it between November, 1958, and December, 1966. Twenty thousand pounds of U_3O_8 can be sold from the Oliver-Buss claims as their present allotment.

Report dated July 26, 1968, on Uranium Claims in Lisbon Valley Area, Utah, U.S.A.

SUMMARY AND CONCLUSION

The 745 claims in the Lisbon Valley area of Utah are potentially uranium productive from the Moss Back Sand at a depth of from 500' to 1,500'.

The claims are in a southeast-northwest trend, roughly parallel and between two and six miles west of trend of fifteen mines that have produced over six million tons of uranium.

At the present worldwide rate of production and demand for uranium, it is apparent that a shortage of U_3O_8 will develop in the next four years.

RECOMMENDATIONS

- (1) Proceed with the planning of an extensive exploratory drilling program on the claims.
- (2) Encourage the trading of information on drilling results with the offsetting claim owners.

PROPERTY

The 745 claims in which Ensign owns a 25% interest are located 28 miles south of Moab, Utah. United States highway #160 runs through the property and is accessible all year.

The claims total approximately 18,500 acres in Township 30 S., Ranges 23 E. and 24 E. and Township 29 S., Ranges 22 E. and 23 E.

The claims are situated in a district known geologically as the Monticello District of Southeastern Utah.

HISTORY

This group of claims is geologically situated along a belt favorable to ore accumulation in the Moss Back member of the Triassic Chinle formation. To the east of the claims are the famous Lisbon Valley mines which include the Mi Vida and Big Buck mines that have already produced over 1,500,000 tons of high grade uranium ore. The Lisbon Valley mining area includes 15 to 19 major mines over a six mile trend that have cumulatively produced in excess of 6,000,000 tons of uranium ore.

Deposits of uranium and vanadium ores were reported from southwest Colorado and southeast Utah as early as 1898. In 1905, Boutwell (1905, pp. 203-207) described vanadium-uranium-copper ores in faulted and fractured zones in sandstone in the Richardson Basin area of what is now called the Moab district. In that same year, Ransome (Hillebrand and Ransome, 1905, pp. 14-16) described carnotite deposits in the McElmo Formation—now called Morrison Formation—on La Sal Creek, just east of the Moab and Monticello districts.

During 1909-29, Gregory (1917; 1938) investigated the area now largely included in the White Canyon district. In 1920, Butler (1920, pp. 616-617, 621-622) described uranium, vanadium, and copper deposits in sandstone in southeastern Utah and noted the presence of uranium in the White Canyon district at the Blue Dike copper prospect, now known as the Happy Jack uranium mine situated nine miles south of the subject claims.

During World War II, the Union Mines Development Corp., on behalf of the Manhattan Engineer District, thoroughly investigated the vanadium-uranium deposits in the Morrison Formation in the Moab and Monticello districts as part of a general appraisal of Colorado Plateau uranium resources. This study showed that small to fairly large amounts of vanadium-uranium ore were present in many small scattered ore deposits in the Morrison Formation in southeast Utah.

Since 1948, the U.S. Atomic Energy Commission and the U.S. Geological Survey have carried on extensive geological investigations and exploration of the uranium-bearing formations in the Moab, Monticello, White Canyon, and Monument Valley districts as part of a general study of the uranium resources of the Colorado Plateau.

Prior to 1948 there was only intermittent mining on a moderate scale for vanadium and uranium ores in the Moab, Monticello, and Monument Valley districts. According to Boutwell (1905, p. 207) several small shipments of uranium ore were made from the Richardson Basin area during 1902-4 in an effort to develop a source of radium. Small-scale production of uranium ore began in 1911 from several deposits in the Morrison Formation in the Moab and Monticello districts. During World War I the demand for vanadium for the steel industry stimulated increased prospecting and production which lasted into the 1920's. In the late 1930's vanadium mining was revived and lasted until early 1944; during this period, outcrops were thoroughly prospected for vanadium deposits, and mills for processing the vanadium ore were built at Monticello and on Cottonwood Creek about 7 miles southwest of Blanding. In 1948 the U.S. Atomic Energy Commission began to buy uranium ore, and prospecting, mining, and production of uranium ore increased steadily for the next several years.

